

**MINUTES OF A MEETING OF THE PENSIONS AND INVESTMENT COMMITTEE
HELD AT COMMITTEE ROOM A - COUNTY HALL, LLANDRINDOD WELLS,
POWYS ON MONDAY, 1 JULY 2019**

PRESENT

County Councillor P E Lewis (Chair)

County Councillors E A Jones, JG Morris, T J Van-Rees, D H Williams and
A W Davies
Mr G Moore, Chair Powys Pension Board

In attendance: Head of Finance, Pension Fund Manager and Financial Reporting &
Policy Accountant
Aon representatives – Rachel Pinder and Richard Antrobus

1.	APOLOGIES
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Apologies for absence were received from Mr M Weale, co-opted member.

2.	DECLARATIONS OF INTEREST
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Members of the Committee declared interests as members of the Local Government Pensions Scheme. These are personal interests, not prejudicial interests in accordance with Paragraph 12(b) (iv) of the Members Code of Conduct 2016.

County Councillor J Morris declared a personal interest in Item 5 (a) as a Local Education Authority school governor at Crickhowell High School and Crickhowell Primary School.

3.	MINUTES
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The Chair was authorised to sign the minutes of the Pensions & Investment Committee meetings held on 8 March, 16 May and 21 June, 2019 as correct records.

The Chair changed the order of the Agenda due to the later arrival of the Pension Board Chair.

4.	NEW ADMISSION BODY -
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4.1. Adapt Business Services Limited

The Committee was advised that Adapt Business Services Limited had become a Pension Fund employer following the transfer of the former employees of Powys County Council, responsible for the cleaning services at Crickhowell High School and Crickhowell Primary School.

RESOLVED	Reason for Decision:
To note the admittance of Adapt Business Services Limited to the Powys Pension Fund.	As per report.

4.2. Just Perfect Catering Limited

The Committee was advised that Just Perfect Catering Limited had become a Pension Fund employer following the transfer of former employees of Aramark, who were operating the catering services on behalf of Brecon Beacons National Park.

RESOLVED	Reason for Decision:
To note the admittance of Just Perfect Catering Limited to the Powys Pension Fund.	As per report.

5. BREACHES REPORT

The Committee received the report regarding the two recordable breaches. The Committee noted that where Funds have been unable to pay a refund to a scheme member within the 5 years of them leaving employment, as required under the Local Government Pension Scheme 2013 regulations, they should be reported as recordable breaches. It was noted that officers were to undertake an address tracing exercise six months prior to the five year anniversary date. Officers advised that currently the sums involved were small and the amount of administrative time and costs outweighed this. The Pension Fund Manager advised that the LGPS Technical Group had asked the Scheme Advisory Board to consider changing the regulations.

RESOLVED	Reason for decision
To note the two breaches that have occurred within the Powys Pension Fund.	In accordance with the Powys Pension Fund Breaches Policy.
The Chair, on behalf of the Committee, writes to the Scheme Advisory Board in support of the LGPS Technical Group recommendation that the regulations regarding the payment of refunds within a five year timescale be amended.	To demonstrate the increased administration required to facilitate these payments, monitor and record the breaches then present to Committee and Board.

Mr G Moore, Chair Powys Pension Board arrived.

6. DRAFT PENSION FUND ANNUAL REPORT AND ACCOUNTS 2018/19

The Committee received the draft Annual Report. The Committee noted as a result of new Chartered Institute of Public Finance and Accountancy [CIPFA] guidance the draft report contained more information about the pooling of pension funds and also the benchmarking of the fund against other funds and the administration of the fund.

RESOLVED	Reason for decision
That the Committee notes the content of the report.	For information.

The Committee considered the following item next.

7.	POWYS PENSION BOARD FEEDBACK FROM ITS MEETING 3 APRIL, 2019
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The Committee received the feedback report and minutes from the Board meeting on 3 April, 2019. The Board Chair advised that nationally, Pensions & Investment Committees usually spend the majority of their time considering investments. However, the new CIPFA guidance has raised the profile of administration and together with the increasing focus of the Pension Regulator, it is important that administration should have the appropriate amount of time dedicated to it in Committee meetings, where required. He advised the Scheme Advisory Board required that Boards should review the draft annual accounts. It was noted that the Board would consider its training documentation at its next meeting.

8.	WALES PENSION PARTNERSHIP [WPP] UPDATE
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The Committee received a number of documents from the Wales Pension Partnership [WPP] Joint Governance Committee. It was noted that the Chair had been elected as Chair of the Wales Pension Partnership Joint Governance Committee at the meeting on 28 June, 2019 for the ensuing year.

The Pension Fund Manager advised that the majority of WPP's recent work had been on the Fixed Income Sub-funds. The Committee noted the draft Responsible Investment Policy and the Pension Fund Manager advised that more work was needed on this to ensure that it was flexible enough for local decisions to be made.

In response to a question, the Pension Fund Manager advised that WPP's workplan would be monitored by the host authority and Joint Governance Committee meetings. He agreed to send the most up to date version of the plan to the Committee.

9.	EXEMPT ITEM
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RESOLVED to exclude the public for the following items of business on the grounds that there would be disclosure to them of exempt information under category 3 of The Local Authorities (Access to Information) (Variation) (Wales) Order 2007).

10.	WALES PENSION PARTNERSHIP [WPP] UPDATE
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The Pension Fund Manager advised that it was likely that the Fixed Income Sub-funds would be launched before the end of 2019 and assets transitioned as soon as possible thereafter. The Committee noted that the WPP operator [Link Fund Solutions] was to visit all Authority funds and would visit Powys in October.

11.	MEDIUM TERM ASSET ALLOCATION [MTAA] UPDATE
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The Committee noted the Medium Term Asset Allocation [MTAA] report to 31 March, 2019. Performance is ahead of the benchmark for the quarter but behind since conception. The value added since March 2011 is £1.0m.

12.	SUSPENSION OF MTAA MANDATE PROPOSAL
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The Committee considered the proposal that the MTAA mandate be suspended from 30 June 2019. It noted that over time the Portfolio complexity had increased and that the fund was now covered by the equity protection overlay. In addition, the Committee was undertaking an investment strategy review. The Committee noted that performance would still be reviewed on a quarterly rather than daily basis.

RESOLVED	Reason for decision
That MTAA mandate is suspended from 30 June 2019.	To better facilitate the equity protection strategy and to consider it again as part of a further investment strategy review.

13.	QUARTERLY MONITORING REPORT
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The Committee received the Q1 Quarterly Monitoring report. It noted the asset value had increased by £37m over the quarter. The Committee was advised that the Fund had underperformed relative to the benchmark, but it was difficult to identify what had affected performance. Markets had been flat from March - May but improvements had occurred during June and it was agreed that a new report up to the end of June would be circulated to the Committee.

14.	FORWARD LOOKING BUSINESS PLAN
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The Committee noted the Forward Looking business plan. The Committee noted that cyber crime was identified as future training with additional work due to be undertaken around the topic. The Pension Board Chair advised that the Pension Regulator was highlighting cyber crime as an important issue to address. Officers agreed to check whether all Councillor Members of the Committee were up to date with their cyber security training.

County Councillor P E Lewis (Chair)